

Exhibit 89

CONFIDENTIAL

Page 1

1 UNITED STATES DISTRICT COURT
2 FOR THE SOUTHERN DISTRICT OF NEW YORK

3 IN RE BEAR STEARNS COMPANIES,
4 INC. SECURITIES, DERIVATIVE, Master File No.:
5 AND ERISA LITIGATION, 08 MDL NO. 1963 (RWS)
6 This Document Relates to:
7 Securities Action,
8 08 Civ 2793 (RWS)

9
10 _____
11 BRUCE S. SHERMAN,
12 Plaintiff,
13 v. Index No.:
14 09 CV 8161 (RWS)
15 BEAR STEARNS COMPANIES INC.,
16 JAMES CAYNE, WARREN SPECTOR
17 and DELOITTE & TOUCHE LLP,
18 Defendant.

19 _____
20 CONFIDENTIAL
21 DEPOSITION OF
22 MR. RALPH CIOFFI
23

24 Taken on Behalf of the Plaintiff

25 DATE TAKEN: October 15, 2014
26 TIME: 10:00 a.m.
27 PLACE: Robins Kaplan
28 Miller & Ciresi
29 711 Fifty Avenue South
30 Naples, Florida

31
32 Examination of the witness taken before:
33 Elizabeth M. Brooks, RPR, FPR

34
35 Job # 85461

CONFIDENTIAL

<p style="text-align: right;">Page 90</p> <p>1 RALPH CIOFFI</p> <p>2 Q Have you ever had any discussions with Warren 3 Spector since you left the Bear premises in June?</p> <p>4 A I saw Warren at a wedding three years ago, 5 and, prior to that, the only other time I spoke with him 6 was after my acquittal.</p> <p>7 Q Did he call you to congratulate you?</p> <p>8 A Yes.</p> <p>9 Q Okay. And the wedding that you spoke with 10 Warren at, who was getting married?</p> <p>11 A My good friend's daughter, who was also a 12 friend, mutual friend of Warren's.</p> <p>13 Q No discussions about any business?</p> <p>14 A No. Nope.</p> <p>15 Q Have you communicated in any other way with 16 Warren Spector, either by e-mail, text or anything else, 17 after being asked to leave the Bear premises on June 20 18 or 21st?</p> <p>19 A I had an individual that wanted to be 20 introduced to Warren, and I introduced him vis-a-- via 21 e-mail.</p> <p>22 Q Okay. And how long ago was that?</p> <p>23 A That was in, oh, probably 2000 -- after the 24 trial, '09, 2010, probably.</p>	<p style="text-align: right;">Page 91</p> <p>1 RALPH CIOFFI</p> <p>2 Q Matthew Tannin was a member of the team you 3 assembled to run the High Grade Enhanced Leverage funds, 4 correct?</p> <p>5 A Correct</p> <p>6 Q What was his title?</p> <p>7 A He was -- I believe the official title in New 8 York was Chief Operating Officer</p> <p>9 Q Had you worked with him before you set up your 10 funds?</p> <p>11 A I had, yes</p> <p>12 Q In what capacity?</p> <p>13 A I ran the, uh, one of the CDO businesses 14 within the broker dealer, and he worked both in that 15 group as well as, at one point, subsequent to that, he 16 worked in the CDO research group</p> <p>17 Q You selected him for your team?</p> <p>18 A I did</p> <p>19 Q And I think we've covered this, but I just 20 wanted to make sure</p> <p>21 In terms of his compensation, whatever his 22 base salary was, that was paid for by BSAM, correct?</p> <p>23 A Well, it came off of the top of -- if we had a 24 dollar of gross revenue --</p>
<p style="text-align: right;">Page 92</p> <p>1 RALPH CIOFFI</p> <p>2 Q It was expensed?</p> <p>3 A It was expensed.</p> <p>4 Q Okay. It did not come out of your 50 percent 5 of whatever the net profit was?</p> <p>6 A Right. The fixed expenses did not. That was 7 borne equally by BCM and my business.</p> <p>8 Q And to the extent that Tannin received any 9 incentive pay bonus, that did come from your 50 percent 10 of the share?</p> <p>11 A Correct.</p> <p>12 Q And that was determined by you?</p> <p>13 A We had a process. I would submit to BSAM my 14 bonus requests, if you will. They would sign off on 15 them and then they would be paid.</p> <p>16 Q So they had to approve what you were paying 17 out of your money?</p> <p>18 A Yes. And they did. The reason they wanted 19 that is -- well, I mean, they have the authority to 20 approve it or not approve it.</p> <p>21 Q Did you ever have any issues with getting your 22 people paid the way you wanted them paid?</p> <p>23 A Uh, minor issues. Nothing significant.</p> <p>24 Q And who -- who was it at BSAM that would</p>	<p style="text-align: right;">Page 93</p> <p>1 RALPH CIOFFI</p> <p>2 review and approve your proposed incentive compensation 3 for your team?</p> <p>4 A Uh, I don't -- it went to the HR group within 5 BSAM, and I don't know what process they went through, 6 if they sat down -- they may have had a compensation 7 committee within BSAM</p> <p>8 Q Your point of contact would be HR?</p> <p>9 A Yeah. And I don't recall the person I spoke 10 with</p> <p>11 Q Whether they got Rich Marin involved or not, 12 you have no idea?</p> <p>13 A Right. I don't know if -- that's correct. I 14 don't know what happened after I sent those requests 15 off</p> <p>16 Q Okay. What kind of trading volume did your 17 trading of the fund assets, both High Grade and Enhanced 18 Leverage, generate in 2006 and 2007? Would you describe 19 it as high volume?</p> <p>20 A Yes</p> <p>21 Q Okay. And that would include trading with 22 Bear Stearns, right?</p> <p>23 MR HURWITZ Objection to the form</p> <p>24 THE WITNESS Well, we had a moratorium with</p>

CONFIDENTIAL

<p style="text-align: right;">Page 94</p> <p>1 RALPH CIOFFI 2 Bear for part of '06 and part of '07, so -- 3 BY MR. ZELCS: 4 Q This would be prior to the moratorium that I'm 5 asking. 6 A Prior to, I guess, September of '06 Bear -- 7 Bear was one of our top dealers, yes. 8 Q What is a principal trade letter, as that term 9 was used while you were with Bear Stearns? 10 A If we did a transaction with an affiliate that 11 involved a purchase or sale of a security, we had to get 12 that. We had to get the price at which that trade 13 occurred, signed off on by our fund administrator. 14 Q When you say a purchase or sale of a security, 15 would one of your repo transactions be considered a 16 security that needed a principal trade letter? 17 A Initially. Well, initially, no, but 18 subsequent to the PTL issue, we will call it, we were 19 told that. 20 MR. HURWITZ: I don't want to have privileged 21 information disclosed here, so I would ask you not 22 to disclose anything you were told by counsel. 23 THE WITNESS: Initially we did not believe a 24 repo required a PTL.</p>	<p style="text-align: right;">Page 95</p> <p>1 RALPH CIOFFI 2 BY MR. ZELCS: 3 Q Again, without getting into what you were told 4 by lawyers later on, you did consider a repo something 5 you needed to cover with a PTL as well? 6 A Yes. 7 Q Who were the outside counsel for your funds? 8 A I believe -- I believe Stroock -- I believe it 9 was Stroock. I believe they did our documents, our 10 PPMs. 11 Q That's S-T-R-O-O-C-K? 12 A O-C-K, Stroock Levine. 13 Q Who was the outside counsel for BSAM? 14 A I don't know. 15 Q Were they one and the same? 16 A I don't know. I do not know that. 17 Q You didn't have any inside counsel working for 18 your funds; right? 19 A Well, BSAM had a compliance department, but 20 they didn't work for the fund. 21 Q How did you first become aware of the fact 22 that your funds were not able to generate timely 23 principal trade letters documenting the necessary notice 24 and consent for trades between your funds and Bear</p>
<p style="text-align: right;">Page 96</p> <p>1 RALPH CIOFFI 2 Stearns? 3 A We were called by the compliance department, 4 that there was a backlog of PTL letters. 5 Q When you say "a backlog", what do you mean? 6 A Well, there were a number of principal 7 transactions done, or affiliated transactions done with 8 the broker dealer where letters hadn't been sent or 9 letters had been sent and hadn't been returned by the 10 fund administrator prior to settlement. 11 Q Okay. So in some instances a letter hadn't 12 been prepared? 13 A Correct. 14 Q And in some instances there was no evidence 15 that the independent contractor ever consented to the 16 affiliated trades you were doing? 17 A In some instances a letter had been prepared 18 and not sent. 19 Q Who communicated -- sorry. 20 Who at the compliance department of BSAM 21 contacted you with this issue? 22 A They didn't contact me directly. They would 23 have probably contacted Matt as chief operating officer. 24 I don't know who specifically within compliance.</p>	<p style="text-align: right;">Page 97</p> <p>1 RALPH CIOFFI 2 Q Okay. But your sense is you learned about 3 this from Matt and Matt learned about it from BSAM 4 compliance? 5 A Correct. 6 Q Did you ever discuss this issue with anyone 7 other than Matt Tannin? 8 A Rich Marin. 9 Q How about Geissinger? 10 A I'm sure we discussed it with Geissinger. 11 Q How about Spector? 12 A Personally, I didn't, but I -- I expect he 13 knew. 14 MR. WEINSTEIN: Let's not -- I don't want you 15 to guess. 16 THE WITNESS: I didn't speak to Warren about 17 it. 18 BY MR. ZELCS: 19 Q Your expectation was that it bubbled up to him 20 one way or the other, even though you didn't speak to 21 him? 22 A That would be my expectation. 23 Q Based upon your experience working there and 24 with Warren?</p>

25 (Pages 94 to 97)